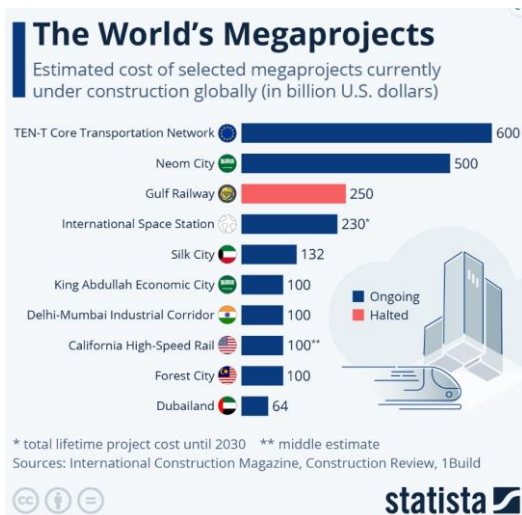




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Source : Statista

POINTS OF VIEW

Last week we wrote about de-dollarisation, decoupling and deglobalisation and how none appear to be full-blown threats. The dollar's status as the global reserve currency does not seem to be threatened in the near to medium term as it has an embedded infrastructure in the global payments system and is well-backed, liquid and free-floating. According to the IMF, the CNY is in 6th place in its share of world foreign exchange reserves behind the USD, EUR, JPY, GBP and 'Other'. The nations holding the four largest reserves are allied politically, diplomatically and increasingly militarily. Nations in the 'Other' category probably include many that are sympathetic to China or beneficiaries of its largesse, maybe bound by loans and other assistance under Belt and Road initiatives. Most will be based in that hard-to-define group known as the Global South*, which includes Latin America and Africa and vast swathes of greater Asia. In the bloc, there is not much concern about Russia's invasion of Ukraine as some or many of those countries benefit from Russia's equivalent of China's BRI. Accordingly, they might reasonably be counted on to rally around China's claims over Taiwan whose 'reunification' with the mainland is regarded as the centrepiece of Xi Jinping's tenure. He has told his military to be ready by 2027. Such an ultimatum has energised the largely western pro-Taiwan camp to increase defence spending and prepare to deter or resist Chinese plans. In all likelihood, Chinese saber-rattling is designed to lead to either a diplomatic solution or a siege-like blockade rather than a full-blown invasion.

The US-China distancing process is picking up pace. A Chinese envoy questioned the sovereignty of the Baltic States and other countries that were formerly part of the Warsaw Pact. They are now members of Nato and or the EU.** This week, the UK foreign secretary, James Cleverly, made a speech in which he challenged China to explain its military build-up in the Pacific, especially the proliferation of nuclear missile silos. But, paradoxically and contrary to Biden, he wants closer ties with China and much greater openness. This follows Macron's visit to China after which he suggested that Europe "should not get caught up in crises that are not ours."^A The US might be inclined to say, OK, you take care of Ukraine on your doorstep and we will take care of Taiwan in our backyard. The fact is, the US could use France's past and enduring relationships and enclaves that are dotted across the Asia-Pacific region. On that China trip, Macron upstaged Ursula von der Leyen much to the annoyance of the EU. He is also trying to broker a deal in Ukraine, unable to resist going solo. The Sun King certainly knows how to light things up. The US wants a total ban on G7 exports to Russia as it seeks to ramp up pressure just as Biden announces his plans to run again and as Ukraine starts its counter-offensive. The allies view Biden's move as provocative.^{^^} Thus it can be seen that free spirits in the western alliance are creating fissures. On the other side, differences are more cloaked. Russia's 'no limits' relationship with China disguises fealty out of necessity. The China-brokered rapprochement between Saudi Arabia and Iran defies belief, but they wear it well. Autocrats stick together.

In the face of the mother of all conflicts, shipping grinds its teeth and just carries on. This is now extending to newbuilding contracting beyond containerships, LNG and car carriers. Despite high prices, concerns over future fuels and propulsion systems and the forward timing of deliveries, orders are picking up. Maybe the larger owners have decided that they need eco ships come what may, and they are willing to invest some part of their cash profits in guaranteeing a long-term and seamless future. This is all the more compelling in the context of such low orderbooks for bulk carriers and tankers. Besides, the best time to invest is when everyone else is hesitant and sentimentally influenced by all the economic doom and gloom in the press. It may never happen. When others are crying, you should be buying or, as Warren Buffett advised: "be fearful when others are greedy, and greedy when others are fearful." For bulkers, the ordering uplift is tentative. In Q1, the total bulker order tally was 34/2.40m-dwt compared with 143/9.74m-dwt in Q1 last year, so there is a way to go to get over the hump of the current slump. For tankers, it is inverted with 52/3.52m-dwt placed in Q1 against 24/1.13m-dwt in Q1 2022. We are not yet off to the races, but glimmers of hope are emerging as anecdotal evidence suggests a surge in orders for both types in April.

*The Global South includes Latin America, Africa, the Middle East, the ISC, South Asia, Southeast Asia, China and North Korea.

**Ambassador Lu Shaye's comments were subsequently disowned by Beijing in a week in which the EU27 will formulate a new China policy.

^AThis implies that should China invade Taiwan then Europe should not intervene. Maybe he supports LVMH's interests over Taiwan's?

^{^^}And so it was. Russia has seized the Russian-based assets of Finland's Fortum and Germany's Uniper in a tit-for-tat escalation.

Dry Cargo Chartering

Capesize markets leapt up on Tuesday and continued to gain as the week played out. Time-charter averages jumped to \$19,080, an increase of \$2,810. Baltic Exchange averages freight prices for major routes were as follows: Tubarao-Rotterdam \$10.90 pmt, Brazil-China approximately \$22.75 pmt, West Aussie-China \$9.00 pmt, RSA-China approximately \$16.00 pmt. On Monday, we heard that charterers Winning took *Cape Keystone* built 2011 for 170,000 mtons 10% bauxite loading Port De Boke 11/15 May for Yantai and Longkou at \$22.00 pmt. Plenty of Australia-China mid-May stems were covered as well with Rio Tinto in particular taking several TBN positions. Freight prices started at \$8.15 pmt at the beginning of the week but charterers were fixing \$9.00 pmt by Thursday/Friday. Elsewhere, Ore & Metal fixed a TBN ship loading ore in Saldanha Bay for Qingdao at \$14.65 pmt, while Rio Tinto chartered a vessel to load 190,000 mtons iron ore from Seven Islands to China 8/10 May at \$8.40 pmt. Little came to light in terms of period or T/C deals.

Panamax market continues to soften as tonnage count continues to outgrow the demand. In the Pacific, it was heard Western Bulk controlled *Paraskevi 2* (74,979-dwt, 2011) open CJK for a grain trip via South Australia to Vietnam at \$12,000 and Korea Shipping took *Panorama* (81,504-dwt, 2012) open CaoFeidian for a trip via NoPac for redelivery in Singapore-Japan range at below \$11,650, whilst Oldendorff took *Heide* (93,312-dwt, 2010) from Zhoushan to Taiwan via Indonesia at \$10,500. On the front haul, there came reports that *NBA Millet* (81,955-dwt, 2014) open Gibraltar was fixed for a trip via North Coast South America for redelivery in Singapore-Japan at \$24,500 with Olam. On a similar route, Comerge was linked to *ITG Uming 3* (81,994-dwt, 2020) open Algeciras for a trip via North Coast South America with option of East Coast South America and redelivery in Singapore-Japan range at \$27,000. *Star Topax* (82,044--dwt, 2009) open Gjon was rumoured to be fixed for a trans-Atlantic round trip with Louis Dreyfus but no further details had surfaced. On voyage, SAIL fixed TBN for their 75,000/10 coal lift Gladstone/Visakhapatnam 18/27 May at \$17.40.

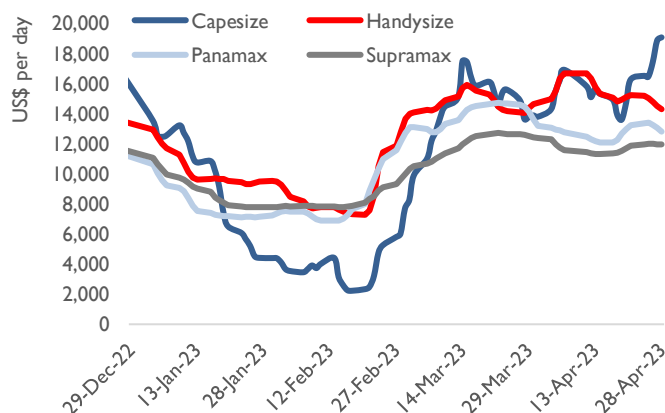
Supramax market started with a little optimism following the end to major world religious and public holidays. But was soon brought back down to earth as the inquiry was not there. Cargo volumes have been disappointing this year and that has further weakened the short and long term outlook on the market

for 2023. The S10TC closed at \$12,811 down by \$400 (-3.03%) since reported last week 21st of April. In the Pacific, Ultrabulk fixed *Josco Guangzhou* (61,326-dwt, 2020) delivery Puerto Bolivar prompt dates for a trip with coal to Itaqui at \$17,500 and Drylog covered *Medi Yokohama* (57,905-dwt, 2014) delivery Xiamen 27-28 April for a trip via Indonesia to Thailand at \$11,000. Whilst in the Indian ocean, Propel took *Pan Imperial* (63,548-dwt, 2016) delivery Navlakhi 25th April for a trip to the Mediterranean at \$14,000 whilst Alliance fixed *AP Astarea* (57,552-dwt, 2012) delivery Richards Bay prompt dates for a trip to the Red Sea – Arabian Gulf range at \$15,000 plus \$150,000 bb. And in the Atlantic, Norden fixed *Melpomeni* (56,894-dwt, 2010) delivery North Continent prompt dates for a trip with scrap toe the East Mediterranean at \$18,250 and Panocean covered *Genco Picardy* (55,317-dwt, 2005) delivery Texas beginning of May for a trip via US Gulf with petcoke to South Korea at \$23,000.

Handy market remained relatively flat this week. Like the larger sizes the outlook is quite negative. The HS7TC closed at \$11,934 up by \$58 (0.49%) since reported last week 21st of April. Across the Asia Basin, positive momentum from last week began to ease due to upcoming holidays in China. Some observed built up of open tonnages with limited enquiry in the region. The *Oasis Island* (37,816-dwt, 2015) opening in Koh Si Chang was rumoured to have been placed on subjects for a trip via Western Australia to China with mineral sands at \$9,500 and *Ernst Oldendorff* (38,330-dwt, 2015) open in Singapore was also heard to have been placed on subjects for a trip via Indonesia to Samalaju at \$9,800, with no further details on both. The *Tan Binh 239* (32,912-dwt, 2010) open in Taichung heard fixed for a trip via Vissai with redelivery in Singapore with cement at \$6,000. On short period front, The *African Gannet* (37,787-dwt, 2018) was fixed basis delivery in South Korea for two laden legs at \$15,000 to HMM. Whilst in the Atlantic, Cargill fixed *Pochard* (37,800-dwt, 2023) delivery Fazendinha 1-7 May for a trip with grains to the US East Coast at \$16,000 and Cargill also took *Handy Perth* (35,177-dwt, 2013) delivery Paranagua 1-7 May for a trip via Santos with sugar to Batumi at \$15,000. Also on the period front, Cargill took *Life Passion* (37,332-dwt, 2018) delivery Santos prompt dates for 4-6 months with redelivery Atlantic at \$15,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Heide	93,312	2010	Zhoushan	27/28 Apr	Taiwan	\$10,500	GNS Seoul	Via Indonesia
NBA Millet	81,955	2014	Gibraltar	21 Apr	Singapore-Japan	\$24,500	Olam Intl	Via NC South America
ITG Uming 3	81,100	2020	Algeciras	27/28 Apr	Singapore-Japan	\$27,000	Comerge	Via NC option EC South America
Jin Zhu Hai	76,450	2009	NC South America	26 Apr	Skaw-Barcelona	\$19,250	Bunge	-
Xin Wu Zhou I	75,668	2001	Xiamen	29 Apr	South China	\$12,000	Cnr	Via Indonesia
Melpomeni	56,894	2010	N Continent	Ppt	E Mediterranean	\$18,250	Norton	-
Patmos John	56,633	2011	Nansha	29 Apr	Mediterranean	\$11,000	Chinaland	First 65 days, \$16,000 thereafter
Genco Picardy	55,317	2005	Texas	Beg May	South Korea	\$23,000	Panocean	Via US Gulf
Storm Rider	34,154	2011	Vila Do Conde	Ppt	Port Alfred	\$17,000	Cnr	-
Mel Vision	32,797	2000	Recalada	Ppt	N Brazil	\$16,000	Cnr	Via Argentina



Exchange Rates	This week	Last week
JPY/USD	136.11	134.36
USD/EUR	1.0963	1.0972

Brent Oil Price	This week	Last week
US\$/barrel	79.07	81.50

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	465.0	472.0
VLSFO	580.0	558.0
Rotterdam IFO	447.0	465.0
VLSFO	535.0	550.0

28 April 2023

Dry Bulk S&P

Whilst there are only a handful of sales to report this week, activity continues at pace and we expect further confirmed deals to come to light over the weeks ahead.

Following last week's report of the sale of *DL Ivy* (81,805-dwt, 2012 Jiangsu Eastern), we now understand that she was been sold for a relatively modest \$17.3m. The same aged panamax *Ying Hao* (76,037-dwt, 2012 Hudong) achieved a higher price of \$18m last week.

The 2009 built panamax *Palma Bulker* (75,843-dwt, 2009 Tsuneishi) has been snapped up by Greek buyers for a price in excess of \$18m. This is arguably below the benchmark set by *Ultra Panache* (78,450-dwt, 2011 Sanoyas) a few weeks ago at \$21m, even taking into account her larger dwt.

There are a couple of supramaxes sold/rumoured sold this week. Firstly we understand that *Ariadne* (57,038-dwt, built 2010 Liaoning)

may be sold for a rather uninspiring \$13m net. A price well below benchmarks, but explained by her place of build, Wartsila main engine and having drydocking due in August. The *Coral Breeze* (55,582-dwt, 2009 Mitsui) is confirmed sold for \$16.8m, a step up on the sale of the larger *Carmencita* (58,773-dwt, built 2009 Tsuneishi Cebu) for \$16m this time a month ago.

In the only handysize sale of the week, and the first of its type for about 1 month, it is reported that Vogemann have sold their 2011 built *Voge Julie* (35,853-dwt, 2011 Qidong Daoda Marine) for \$13.45m to other German buyers. This also raises the bar compared to last done.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
<i>DL Ivy</i>	81,805	2012	Jiangsu	-	-	\$17.30m	SS passed 02/23
<i>Palma Bulker</i>	75,843	2009	Tsuneishi	-	Greek	\$18.10m	BWTS Fitted
<i>Ariadne</i>	57,038	2010	Liaoning	4x31t	-	\$13.00m	Net Price
<i>Coral Breeze</i>	55,582	2009	Mitsui	4x30t	Indonesian	\$16.80m	BWTS Fitted
<i>Voge Julie</i>	35,853	2011	Qidong Doda	4x30t	German	\$13.45m	SS not due till end 2026
<i>Pacific Spirit</i>	35,283	2009	Nantong Chanqingsha	4x31t	-	\$10.10m	



Tanker Commentary

There are no crude tanker sales to report this week after *Baltic Sunrise* (309,373-dwt, 2005 HHI) reportedly failed on subjects to Chinese Buyers for \$53m. We understand she has now been fixed out on TC for a year. May day holidays start next week across the globe and with national holidays in China and Japan too next week may see another quiet week for crude sales.

Non-eco MRs continue to be picked up by Middle Eastern Buyers with *Bahri Jasmine* (49,000-dwt, 2005 Daewoo) with rumours linking UAE based Buyers to the vessel at \$18.6m. A price more or less in line with the early March sale of *Jonny Trader* (46,195-dwt, STX) for \$18m.

The 'J-19' *Bunga Lilac* (19,992-dwt, 2011, Fukuoka) is reported tied up to Chinese Buyers for \$21m. A 2008 built sister vessel, *Dreggen* (19,994-dwt, 2008 Fukuoka) was sold in January for \$19.5m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Petronia Pacific	49,884	2020	STX	HMM	\$43.00m	
Bahri Jasmine	49,000	2005	Daewoo	UAE	\$18.60m	DD due July
GT Star	19,956	2012	Usuki	Chinese	\$21.00m	STST
Bunga Lilac	19,992	2011	Fukuoka	Chinese	\$21.00m	STST
Bro Agnes	16,791	2008	Turkter Tersane ve Deniz Isl. A.S.	-	\$15.00m	Trading CPP

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